

# CORRESPONDENCE

RELATIVE TO THE

## ACTUAL VALUE OF THE OPIUM

DELIVERED UP TO THE

## CHINESE AUTHORITIES

IN 1839.

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*Presented to both Houses of Parliament, by Command of Her Majesty,*  
1843.

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No. 1.

*Mr. Trevelyan to Viscount Canning.*

(Extract.)

*December 18, 1841.*

MY Lords request you will state to Lord Aberdeen, that they consider it to be of importance that specific instructions should be transmitted to Sir Henry Pottinger, (by the next mail,) to make every necessary enquiry at the earliest practicable period, with a view to ascertain what was the actual value which each description of opium confiscated by the Chinese Authorities in the months of March and April, 1839, bore in the market at the time when that confiscation took place, and to report the result, together with any observations he may have to make on the subject.

My Lords at the same time direct me to suggest that it may be proper that Sir Henry Pottinger's attention should be called to the trial which took place last year before the Supreme Court at Calcutta, in the case of "*Ramsabuck Mullick v. de Souza, and others,*" in which one of the points litigated was the proper amount of compensation to be made to the plaintiff for a portion of the confiscated opium which the defendants had contracted to sell immediately on its arrival in China, and to remit the proceeds of such sale to Calcutta, whatever might be the amount, in specie or Government bills.

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Inclosure in No. 1.

SUPREME COURT, CALCUTTA.

*Ramsabuck Mullick versus de Souza and others.*

*March 17, 1840.*

THE plaint, in assumpsit, in this action, set forth that certain opium of the plaintiff, value 80,000 Company's rupees, was to be consigned to Messrs. Gemmell and Co., the agents of the defendants, in China, to be there sold; and the proceeds remitted to the plaintiff, in Sycee dollars or Government bills; and that the defendants, in consideration of the  $2\frac{1}{2}$  per cent. commission, to be paid out of the proceeds, guaranteed the safe returns of the proceeds; that the opium arrived in China, and was received by Gemmell and Co., who disposed of it to one Charles Elliot, and that no returns of the proceeds had been made in Sycee dollars or bills, but certain scrip had been remitted to the plaintiff, which he refused to accept.

*April 3.*

The Court were of opinion, that there must be a verdict for the plaintiff upon all the issues, and for the present they would take the estimate of damages according to the price proved to have been given for the opium, as being the most certain and definite criterion. The question of amount of damages was the most difficult question in the case. The defendant might

move for a nonsuit, or a verdict upon the points of law raised, if advised, or else to reduce the damages to a smaller sum.

June 22.

This was "the opium case," tried last sittings, in which a verdict was found with damages 52,975 Company's rupees. A rule nisi, in the alternative, either for a new trial, or to reduce the damages, was now moved for by Mr. Leith.

*Mr. Leith.*—Then as to the amount of damages, I submit that we are entitled to have the verdict reduced, if not to a nominal sum, to an amount much less than the verdict as it now stands. The measure of damages at the trial was calculated according to the price paid for the opium in Calcutta. This estimate is obviously inapplicable. The question is, what sum would have been received by the plaintiff had the contract been duly performed. The cases of *Startup v. Cortazzi*, 2 Crompt. and Roscoe's Reports; *Brandt v. Bowlby*, 2 Barn. and Adol.; *Boorman v. Nash*, 9 Barn. and Cres.; and other authorities, show that the measure of damages must be regulated by the price obtainable for the goods at the place and time where and when the contract was to have been paid for the opium by the plaintiffs in Calcutta, has nothing whatever to do with the question.

The Court granted a rule to reduce the damages.

July 6.

The Advocate-General and Mr. Clarke showed cause against a rule nisi, obtained by Mr. Leith for the reduction of damages. The criterion taken at the trial, was the original cost of the opium in Calcutta. This was the proper criterion:—nay, the Court might reasonably have given higher damages, by adding the interest of the money, and the shipping charges. It was contended on the other side that the verdict ought to be reduced to nominal damages, because no distinct evidence had been given of the price of opium obtainable in China at the time when the contract ought to have been performed. The consequence of this would be, that the party guilty of a breach of contract, would be a gainer by his wrongful act. He still had the "scrip" in his possession; and he might sell this for some price, at all events, nay, even ultimately obtain the whole prime cost of the opium. No fixed rule for measuring damages for breach of contract could be laid down. Each case must be ruled by its own peculiar circumstances.

*Mr. Leith* (with whom was Mr. Morton) in support of the rule.—The contract in this case was this:—"We hereby guarantee safe returns of consignment," and that the opium should be sold immediately on arrival at Lintin. The breach of the contract, for which the action was brought, was for not selling immediately on arrival, and remitting proceeds of such sale, whatever might be the amount, in specie or Government bills. Then the question was supposing that the contract had been strictly performed, and the agent at Lintin had sold immediately on arrival, what price could have been then obtained for the opium, for it is the safe return of this only that is guaranteed, and not what the opium, when sold, would realize, at the cost price.

The learned counsel then recited the before-mentioned cases, to show that the rule in assessing damages, in analogous cases, was, that the criterion for measuring the damages for breach of contract is the price which the goods would have fetched at the time when the contract was broken. By reference to the evidence of Dwarkanauth Tagore, it would be found that prices were merely nominal when this opium arrived at Lintin. Therefore, the verdict ought to be for nominal damages only. But if the Court thought that there was sufficient evidence to show that some sale were effected at Lintin, which he, the learned counsel, was willing to admit, but at a considerable loss to the shipper, as sworn to by Dwarkanauth Tagore, then it is quite clear, by giving plaintiff the amount originally paid for the opium in Calcutta, the Court would be making the guarantee a contract of insurance against loss in the speculation, instead of a guarantee that the proceeds of sale, whatever that might be, should be remitted, which it only amounted to, and giving the amount of purchase money to the plaintiff would be putting him in a better

position than if the contract had been performed, and in a better position than the other shippers of opium purchased at the January sale, who, according to the evidence on the trial, had not been able to realize the invoice prices. The only evidence which the plaintiff had given of the price—and it was on him to prove distinctly the value at the time of the breach—was, that when the bad news came from China, about June, opium fell here to about 200 rupees, showing the fall in China to be great; and that the opium scrip had been then sold in China for from 300 to 400 rupees per chest. This was the whole of the evidence of the market price of the drug which the plaintiff had produced. He, therefore, submitted that the verdict ought to be reduced either to nominal damages, or to 200 rupees per chest; the price in June, from which the price in Lintin, might be presumed, or from 300 to 400 rupees per chest, which was the market value of the scrip which was received by the agent in China from Captain Elliot, and which defendant had offered to give the plaintiff on account of the proceeds of the consignment.

*Chief Justice Ryan.* At the time of the trial we said we thought the question of damages one of difficulty. The rule is correctly stated by defendants' counsel on the cases cited. It is of course on the plaintiff to prove his case and the damages. The contract was not fulfilled, the opium having been given up to Captain Elliot, who gave the scrip. The question is, what would the plaintiff have obtained if the contract had been performed? This was for him to have proved, and the evidence was not at all satisfactory. A witness stated that 300 chests had been sold to make up the deficiency in the quantity required; this was no criterion of the market price, having been purchased for a particular reason. Dwarkanauth Tagore proves that some sales took place at Lintin, and therefore nominal damages cannot be given, but evidence is given by him that, on news arriving from China, opium went down here to 200 rupees, and that the scrip sold from 300 to 400 rupees. This is the evidence afforded us. We have given the original price of the opium before guarantee entered into. Certainly this was not correct, as the defendants were not insurers of the opium but the proceeds. We cannot give nominal damages, and we think the fairest way is to take the highest rate given for scrip, 400 rupees. Then there is the question whether we ought to allow a set-off of freight and commission. As interest would be chargeable on the 400 rupees from the time when it ought to have arrived here in due course, and, as we do not give the interest, we shall not give the defendants' freight and commission, but set off the one against the other.

Damages reduced from 865 rupees to 400 rupees per chest. Each party to pay his own costs.

This will reduce the whole damages to about 27,000 rupees.

## No. 2.

*Mr. Trevelyan to the Secretary of the Board of Control.*

(Extract.)

December 18, 1841.

I AM directed to state, that it is the wish of my Lords that the Supreme Government of India should be instructed to cause a full and searching inquiry to be instituted, at the earliest practicable period, into the actual value which each description of opium confiscated by the Chinese authorities in the months of March and April, 1839, bore in the market at the time when that confiscation took place; and that the result of this inquiry, with copies of the evidence and other documents connected with the subject, should be communicated to my Lords, together with any remarks which the Governor-General in Council may think proper to make in elucidation of the subject.

Their Lordships suggest that, as bearing upon this inquiry, the attention of the Governor-General should be drawn to the trial before the Supreme Court at Calcutta, in the case of "*Ramsabuck Mullick v. De Souza and others*," one of the principal points of which turned upon the value of a portion of the confiscated opium which the defendants had engaged to sell immediately on its arrival at Canton, the proceeds to be remitted to Calcutta.

No. 3.

*Viscount Canning to Mr. Trevelyan.*

Sir,

*Foreign Office, December 24, 1841.*

WITH reference to your letter of the 18th instant, stating that it is desirable that information should be obtained with respect to the value which each description of opium confiscated by the Chinese authorities in the months of March and April, 1839, bore in the market in China at the time when the confiscation took place, I am directed by the Earl of Aberdeen to transmit to you, for the information of the Lords Commissioners of Her Majesty's Treasury, a copy of an instruction which his Lordship has addressed to Her Majesty's Plenipotentiary in China upon this subject.

I am, &c.,  
(Signed) CANNING.

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Inclosure in No. 3.

*The Earl of Aberdeen to Sir Henry Pottinger.*

Sir,

*Foreign Office, December 22, 1841.*

I HAVE to acquaint you that the Lords of the Treasury have stated to me, that it is desirable that you should make every inquiry at the earliest practicable period, with a view to ascertain what was the value which each description of opium confiscated by the Chinese authorities in the months of March and April, 1839, bore in the market in China at the time when the confiscation took place.

I have accordingly to instruct you to make these inquiries without delay, and report to me the result thereof, together with any observations which you may have to offer on the subject.

I have at the same time to call your attention to the inclosed report of a trial which took place in 1840, before the Supreme Court at Calcutta, in the case of Ramsabuck Mullick *v.* de Souza and others, by which it appears that one of the points litigated, was the proper amount of compensation to be made to the plaintiff for a portion of the confiscated opium which the defendants had contracted to sell immediately on its arrival in China, and to remit the proceeds of such sale to Calcutta, whatever might be the amount, in specie or in Government bills.

I am, &c.,  
(Signed) ABERDEEN.

P.S. It might further the objects of Her Majesty's Treasury if, in addition to the information which I have now instructed you to furnish, you could also transmit to this office a statement of the market value of opium during the months of January and February, and May and June, 1839.

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No. 4.

*Mr. Trevelyan to Viscount Canning.*

My Lord,

*January 14, 1842.*

WITH reference to my letter of the 18th ultimo, proposing, by desire of the Lords of the Treasury, that Her Majesty's Plenipotentiary in China should be instructed to report on the value of the opium confiscated by the Chinese authorities in 1839, I have received the commands of their Lordships to request that your Lordship will suggest, for the consideration of Lord Aberdeen, the propriety of calling upon Captain Elliot for his opinion on the same point, and for any information bearing upon it, which his intimate acquaintance with the whole transaction may enable him to afford.

No. 5.

*Viscount Canning to Sir George Clerk.*

Sir,

*Foreign Office, January 26, 1842.*

IN reply to your letter of the 14th instant, I am directed by the Earl of Aberdeen to transmit to you, for the information of the Lords Commissioners of Her Majesty's Treasury, a copy of a letter from Captain Elliot, containing some observations as to the value of the opium surrendered to the Chinese authorities in the year 1839.

I am, &c.,  
(Signed) CANNING.

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Inclosure in No. 5.

*Captain Elliot to the Earl of Aberdeen.*

My Lord,

*53, Cadogan Place, January 19, 1842.*

IN reply to your Lordship's letter of the 15th instant, I have the honour to state, that between the end of November, 1838, and the 27th of March, 1839, the date that the 20,283 chests of opium were handed over to my order for delivery to the Chinese Government, the traffic had been almost totally suspended, owing to the steady severity of the Court against the consumers in all parts of the empire.

During the whole of that interval prices were chiefly quoted as nominal. The nearest time to the delivery that I find any reference to them is in the "Canton Register Price-Current" of the 5th of March, 1839 [a few days before Commissioner Lin's arrival], when it appeared that there had been offers to sell, but no bidders, at the following rates:—

Patna	-	-	300 dollars per chest.
Benares	-	-	280 dollars per chest.
Malwa	-	-	250 dollars per chest.

I believe there were no arrivals from Bengal and Bombay between that time and the 27th of March; so that this scale may furnish fair means of judging of the relation which the respective descriptions of opium bore to each other at that period; in other words, commercially considered, the several kinds of opium would probably have risen or fallen in about that ratio.

In a case decided in the Supreme Court of Calcutta, on the 6th of July, 1840, Ramsabuck Mullick *v.* De Souza and others, his agents in China [the defendants guaranteeing proceeds of certain opium sent to them in China, and remitting my receipts in discharge of their engagement], the Court found for the plaintiff, and assessed the damages at 400 rupees per chest, upon the express ground of value in the market, when and where the contract was held to be broken by delivery of the opium to me, in consideration of my receipts, *i. e.*, in China, on the 27th of March, 1839; and this assessment was made, because that price was the best which had been procured for my receipts up to that time.

The reason for rating the assessment upon this principle seems to have been to supply the deficiency of evidence of market price in China, on the 27th of March, 1839; and certainly failing a market price there on the 27th of March, 1839, the price which persons were willing to give for the receipts I had granted for the opium handed to me on that day, was the nearest approximation to the value it might be supposed to have in China at that date, which the Court could reach. It was worth nothing, or it was worth that.

But I would wish to observe here, that persons giving the price would naturally give less than they thought the receipts would realize, and therefore, in my opinion, the judgment furnishes no more than a minimum point in the rule to regulate compensation.

It is not to be denied that the drug did depreciate very considerably indeed between the 5th of March, 1839, and the 27th of the same month. In that interval Commissioner Lin had arrived, published his first violent proclamation, laid a close embargo upon the whole trade of the port, confined the foreign community in Canton, and insisted upon the delivery into his hands of one of the chief British merchants.

Weighing all these circumstances, and their necessary effect upon the opium market, with all the attention in my power, it has appeared to me that the least price mentioned in the scale of the 5th of March (250 dollars) as not procurable for the least rated description of opium, would certainly constitute a most liberal maximum point for the highest description of the opium on the 27th of March, between which point and the Chief Justice's decision at Calcutta, would be the rate of compensation for the highest class.

I am not aware what price had been obtained for the receipts I had granted for Malwa opium, at the date of the decision in Calcutta, but the best rate paid for those receipts up to that time (6th of July, 1840), would, by the same rule, constitute the minimum point in determining the value of that description of opium.

Assuming that 400 rupees (or 186 dollars) was the best price paid for the receipts for Malwa opium, and as well as the receipts for Bengal opium, the compensation for Malwa opium would lie between 208 and 186 dollars.

The mean prices of the three descriptions of opium estimated on these principles, would be,—

Patna	-	-	218 dollars per chest.
Benares	-	-	209 dollars per chest.
Malwa	-	-	199 dollars per chest.

My position with relation to the subject is so peculiar, that I am exposed to suspicion of bias on every side. The opium claimants, without the least justice, accuse me of desiring to depreciate their rightful claim. I have been charged in other quarters, with equal injustice, of thinking only of those opium interests, and therefore I consider it my duty conscientiously to declare the impressions of my mind upon the subject, so far as I can detect them.

I certainly do admit that I have a leaning (and I hope it will be thought natural that I should have) to the side of the best price to which I think the opium claimants have any sustainable title upon the most liberal consideration of their case. But, upon the other hand, I have never been unmindful that it could not be the purpose of Her Majesty's Government forcibly to wrest from the Chinese Government a larger price than there is the least reason to believe would have been recovered for that mass of opium, if it had never been taken from the merchants, or if it had been restored to them next day.

The condition of the opium market at that time was one of excessive glut. There were 20,000 chests on the coast of China, upwards of 20,000 in Bengal, nearly 12,000 in Bombay, making a total of upwards of 50,000 chests ready for the market, and the crop of the current year would soon have had to be added to this stock. The annual consumption, at its highest mark, had never exceeded 24,000 chests, and for the three months preceding the delivery, it has already been observed, that there had been nearly a total stagnation of the traffic. So far as the general opium trade and the Indian revenue were concerned, Commissioner Lin's measure was one of great relief, and I have a conviction, that the actual deliveries on the 27th of March, 1839, will recover as good a price for that opium, as they could have done under any other circumstances.

I will not close this letter without taking the liberty to remark that the claimants seem to me to be entitled to interest upon the amount of compensation awarded to them, from some period, when it would have been reasonable to compute that the whole of that opium would have been realized in due course; and I am strengthened in that view by a careful consideration of the Chief Justice's decision in Calcutta.

I have, &c.,  
(Signed) CHARLES ELLIOT.



## No. 6.

*Mr. Baring to Mr. Trevelyan.*

(Extract.)

*India Board, May 5, 1842.*

I AM directed by the Commissioners for the Affairs of India to transmit to you, for the information of the Lords Commissioners of Her Majesty's Treasury, a copy of a letter, and of its inclosures, which Lord Fitzgerald has received from the Governor-General of India.

In these papers their Lordships will find stated the mode in which Lord Ellenborough thinks it would be fair to calculate the value of the opium seized and confiscated by the Chinese Authorities at Canton.

## Inclosure 1 in No. 6.

*Lord Ellenborough to Lord Fitzgerald and Vesli.*

My Lord,

*Fort William, March 22, 1842.*

I HAVE the honour to acknowledge the receipt of your Lordship's letter of the 30th of December, 1841, addressed to the Earl of Auckland, inclosing a copy of a communication from the Lords Commissioners of Her Majesty's Treasury, with respect to the payment of the value of the opium extorted from British subjects by the Chinese Authorities, and expressing a desire to receive an early and separate report of the sum actually realized from the bullion and bills which have been, or may hereafter be, remitted to Calcutta, as a portion of the contribution paid by the Chinese Authorities for the ransom of Canton.

These papers have been laid before the Council of the Government of India, and a resolution has been drawn up on the subject of them, which I have the honour to inclose, and from which your Lordship will find that, in the opinion of this Government, the course of proceeding suggested by the Lords Commissioners of Her Majesty's Treasury, in order to ascertain the value of the opium extorted by the Chinese Authorities, would be attended with difficulty, delay, and uncertainty as to the correctness of its results; and that the returns of the Government opium sales, and the price-current of opium in the markets of China and India, as reported in the published commercial accounts of Canton, Calcutta, and Bombay, immediately before the prices of opium were affected by the violent proceedings of the Imperial Commissioner at Canton, will afford a fair and impartial test of the marketable value of the drug at the period referred to; and that, as a certain value has been given judicially by the Supreme Court of this Presidency to a portion of the opium confiscated by the Imperial Commissioner, which does not vary very materially from the aggregate results deduced from those sources of information, this Government would be much disposed to assume that valuation, equivalent to 40*l.* per chest, as fairly applicable to the entire quantity of opium of different kinds delivered to the Chinese Authorities.

Her Majesty's Plenipotentiary in China has been informed of the prohibition against the payment of any money on account of the confiscated opium, except under the special instructions of Her Majesty's Treasury, and that all money obtained from the Chinese as compensation for the opium seized, is to be remitted to England.

The separate report called for in the last paragraph of your Lordship's letter, of the sum actually realized from the bullion and bills which have been remitted to Calcutta, shall be submitted to your Lordship as soon as the actual out-turn of the bullion, which was all sent to the Calcutta mint for coinage reaches me. Your Lordship will perceive from the resolution of this Government, that the estimated amount to be credited on this account, is 686,223*l.* 16*s.*

I have, &c.,  
(Signed) ELLENBOROUGH.

## Inclosure 2 in No. 6.

*Resolution of the Government of India.*

THE Government of India has been informed of the desire of the Lords of Her Majesty's Treasury\*, that a full and searching inquiry should be made, at the earliest practicable period, into the actual value which each description of opium confiscated by the Chinese authorities in the months of March and April, 1839, bore in the market, at the time when that confiscation took place; and that the result of this inquiry, with copies of the evidence, and other documents connected with the subject, should be communicated, with any remarks which the Governor-General in Council may think proper to make in elucidation of the subject.

To the Governor-General in Council, it appears that a close investigation to effect the object of the Treasury, ought to be instituted and conducted in China, rather than at Calcutta or Bombay, and that even there it would be attended with much difficulty and uncertainty. The only evidence which could be procured to prove the actual value of the opium confiscated, would be that of interested parties, and from that cause the investigation could hardly be brought to a satisfactory close, while great delay would necessarily attend the conduct of it. And it must be admitted to be highly doubtful whether even a judicial inquiry into this subject would lead to results more to be depended on than the published accounts of the current prices of opium in China immediately before the seizure and confinement of the merchants at Canton, and in India immediately before these facts became known there.

It appears to the Governor-General in Council, that the best criterion for forming a general and impartial valuation of the confiscated opium will be found in the returns of the Government opium sales, and in the published reports of the day giving the price current of the drug; and if, from a careful examination and comparison of the quoted prices in India and in China, immediately before the market was affected by the violent proceedings of the Imperial Commissioner at Canton, and the returns of the Government sales, a fair average can be drawn of the current value of the different kinds of opium, this may answer the purposes of Her Majesty's Treasury in a manner sufficiently satisfactory, and it will have the advantage that it may be furnished without delay.

In the month of March, 1839, it will appear from the statement in the margin†, that before the seizure and detention of Captain Elliot and the merchants residing in Canton, there was collected in the Canton waters a quantity of unsold opium, exceeding 20,000 chests, that the prices demanded may be stated at 55*l.* 18*s.* 4*d.* for Patna, 58*l.* 17*s.* 1*d.* for Benares, and 47*l.* 1*s.* 8*d.* for Malwa, but that there were no purchasers at these rates, and that the marketable value of the stock then in hand must be considered as below those rates. At the last public sale in Calcutta, previous to intelligence being received of the proceedings of the Imperial Commissioner, that is, on the 22nd April, 1839, the price paid for Patna opium may, at the current rate of exchange at that day, be reckoned at 36*l.* 11*s.* 2*d.*, and that of Benares at 39*l.* 1*s.*

Patna rs. 365 1 10  
Benares 390 8

Patna  
Benares  
18th May.—Prices  
at Bombay are  
merely nominal.  
The only transac-  
tion being a few  
chests for the east-  
ward, at 525 rupees.  
See Memorandum  
inclosed.

The prices of Malwa opium in the Bombay market in the month of May, 1839, before the news of Captain Elliot's detention reached that place, were nominally, on an average, 52*l.* 10*s.* per chest, but there appear to have been hardly any sales, and it will be seen that these nominal prices were considerably higher than those quoted for Malwa opium at Canton early in the month of March, namely, 47*l.* 1*s.* 8*d.* per chest. In addition to these facts it may be stated, that in the case of Ramsabuck Mullick v. De Souza and Co., decided in the Supreme Court at Calcutta, the value of a portion of the opium confiscated in China was fixed at 400 rupees, equal, at the exchange of the day, to about 40*l.* per chest. The Governor-General in Council would be much dis-

\* Letter of the Secretary of Her Majesty's Treasury to the Secretary of the Board of Control, dated December 18, 1841, laid before the Council of India by the Governor-General, together with the letter in which it was inclosed, from the President of the Board of Control to the address of the Earl of Auckland, dated December 30, 1841.

† Patna opium was offering at \$280, Benares at \$250, Malwa at \$200 per chest, but without finding bidders.

posed to consider this a very fair valuation to be given to the whole of the opium confiscated. It is considerably less than the prices demanded in China, in March, 1839, but even then there were no purchasers at those prices; and, considering the large accumulation of opium at the mouth of the Canton River, the great quantity of the drug ready to follow from India, and the rapid decline in the value of the article in the Calcutta market from the 14th of April to the 9th of May, it may fairly be calculated that the stock in the China market would soon have been depreciated, and that the prices quoted above could not have been realized. It is supposed, that in point of fact, to a large number of the speculators in opium, the loss of that portion of their property delivered to the Imperial Commissioner was in some measure compensated by the additional value thus given to the opium already purchased and subsequently imported into China by them.

The amount of the Canton ransom money remitted to Calcutta in specie and bills has been estimated at 686,233*l.* 16*s.*; but the mint returns from which the exact amount will be ascertained, have not yet been received.

The Governor-General deems it expedient that a statement of the above facts, and of his opinions on the subject, should be transmitted to the President of the Board of Control.

*Resolved*,—That this statement be placed on record, to enable the Governor-General to reply to the letter of December 30, 1841, from the President of the Board of Control to the Earl of Auckland's address.

*Council Chamber, March 22, 1842.*

### Inclosure 3 in No. 6.

*Statement of the price of Opium in 1839, at Calcutta and Bombay, and in China, gathered from the returns of the sale of Government Opium, and from the published Price Current of that Article, at Calcutta, Bombay, and Canton, on the dates specified.*

	At per Chest.	Highest.			Lowest.			Average.			Exchange.	f.	s.	d.
		RS.	A.	P.	RS.	A.	P.	RS.	A.	P.				
By private sale on the } 4th of April, 1839.	Patna.	640	0	0	625	0	0	633	2	0	at 2s. per Rupee.	63	6	0
	Benares.	580	0	0	575	0	0	579	0	0		57	18	0
Ditto, 11th April ..	Patna.	600	0	0	590	0	0	595	0	0	—	59	10	0
Ditto, 18th April ..	Patna.	555	0	0	555	0	0	555	0	0	—	55	10	0
By public (Company's) } sale, 22nd April ..	Patna.	475	0	0	330	0	0	365	1	10	—	36	11	2
	Benares.	435	0	0	375	0	0	390	8	0	—	39	1	0
By private sale, on the } 2nd of May .. ..	Patna.	365	0	0	365	0	0	365	0	0	—	36	10	0
	Patna.	315	0	0	315	0	0	315	0	0	—	31	10	0
The account of Captain Elliot's detention reached Calcutta on the 13th May.														
By public (Company's) } sale, 27th May ..	Patna.	275	0	0	220	0	0	235	6	8	—	23	10	9
	Benares.	220	0	0	190	0	0	196	5	4	—	19	12	8
The Exchange between Calcutta and London are quoted at 1s. 11½d. to 2s. 1d. per rupee.														
At Canton, about the } 13th. March, before } the detention of Capt. } Elliot, it is stated that }	Patna was offering at \$280		But without finding bidders.		4s. 8½d. per dol.		65	18	4					
	Benares "	250			—		58	17	1					
	Malwa "	200			—		47	1	8					
Bills on England were quoted 4s. 8½d. to 4s. 9d. per dollar.														

*Price of Opium at Bombay, extracted from the Price-current.*

May 4. "We hear that 20 chests have been bought for the Malay coast at 550 rupees per chest, and the price is stated to us at 500 and nominal. Bills on England at 2s. per rupee.

May 18. "Prices at Bombay are merely nominal, the only transaction being a few chests for the eastward at 525 rupees. Bills on England as before.

The news of Captain Elliot's detention reached Bombay on the 22nd of May.

From the 22nd May to about the middle of June, it was stated, "that the price of opium was nominal and nothing whatever doing."

June 15. "Mal. 1 was quoted at the nominal price of 300 rupees per chest of 140 pounds. Exchange 2s. per rupee.

(Signed) T. H. MADDOCK,  
Secretary to the Government of India.

Inclosure 4 in No. 6.

*Report of Case decided in the Supreme Court, Calcutta, on the 3rd of April, 1840.*

MESSRS. De Souza and Co. guaranteed to Ramsabuck Mullick the out-turn of 65 chests of opium, consigned through them to their agent, Messrs. Gemmell and Co., China. The opium was given up by Gemmell and Co. to Mr. Elliot, the superintendent, who granted scrip for it, which scrip Ramsabuck refused to accept, and brought an action against De Souza and Co. for the cost amount of the opium.

Verdict with damages, at cost price, was given for the plaintiff, with leave to move to reduce the damages to a lower sum. It was contended for the defence, that the criterion was not what the opium was got for, but what could be got for the opium.

The damages were ultimately reduced to 26,000 rupees, which is equivalent to 400 rupees per chest.

No. 7.

*Mr. Addington to Mr. Trevelyan.*

Sir,

*Foreign Office, October 14, 1842.*

I AM directed by the Earl of Aberdeen to transmit to you, for the information of the Lords Commissioners of Her Majesty's Treasury, a copy of a despatch from Sir Henry Pottinger, relative to the value of the opium given up by Captain Elliot to the Chinese authorities in the year 1839.

I am, &c.,  
(Signed) H. U. ADDINGTON

Inclosure in No. 7.

*Sir Henry Pottinger to the Earl of Aberdeen.*

My Lord,

*Government House,  
Hong Kong, May 17, 1842.*

YOUR Lordship's despatch of the 22nd of December, only came to hand on the 13th instant.

I now beg to acquaint your Lordship, that the inquiries which I felt it my duty to institute, have only tended to satisfy me that it is absolutely

impossible to arrive at any conclusive or satisfactory opinion as to the actual value of the opium which was delivered up by the merchants to Captain Elliot, in 1839, and by him transferred to the Chinese Government, at the time of such delivery and transfer, because the stringent measures which had been adopted not only at Canton, but all along the Eastern coast, had rendered prices, even where they are quoted "nominal," and the stock in hand superabundant. It is stated in the Canton price-currents of that period, "some of the holders appear disposed to sell at any price, but there are no buyers." "There are reports of both Patna and Malwa selling in Macao at from 200 to 300 dollars per chest, in small quantities." "The trade is entirely suspended, not a chest being saleable here." "From the east coast the accounts are nearly as unfavourable." "There is absolutely nothing doing, and we, therefore, withdraw our quotations;" from which remarks Her Majesty's Government will at once perceive, that information is not to be hoped for, and that any thing that may have been, or shall be, advanced on the subject, can only be considered to be the speculative surmises of individuals.

I had not before seen the trial which your Lordship has been pleased to send to me; but I now take the liberty to say, that it appears to me to form a very important guide for Her Majesty's Government in deciding the question, and with that document, and a statement of the prime cost of the drug, which will doubtless have been sent home by the Supreme Government of India, before their board, I respectfully think, that the Lords of the Treasury can have no difficulty in pronouncing what will be a fair and proper amount of compensation, although it may not, and, in all likelihood, will not, tally with the expectations of the claimants.

I have, &c.,  
 (Signed) **HENRY POTTINGER,**  
*Chief Superintendent.*

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